

BP SOLAR HOLDINGS LIMITED

(Registered No.2515099)

ANNUAL REPORT AND ACCOUNTS 2003

Board of Directors: D Campbell
J W Downer
S Westwell
D W J Grant

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 December 2003.

Principal activity

The company acts as a holding company.

Review of activities

The company has had a satisfactory year and the directors believe that the trend will continue.

The company is in a good position to take advantage of any opportunities which may arise in the future.

Results and dividends

The profit for the year after taxation was £222,868 when added to the retained deficit brought forward at 1 January 2002 of £10,399,950 gives a total retained deficit carried forward at 31 December 2003 of £10,177,082. The directors do not propose the payment of a dividend.

Post balance sheet events

After the balance sheet date the authorised share capital was increased from 10,000,000 ordinary shares of £1 each to 100,000,000 ordinary shares of £1 each. 400,000 ordinary shares were subsequently issued to the immediate parent company at par value.



BP SOLAR HOLDINGS LIMITED

REPORT OF THE DIRECTORS

Directors

The present directors are listed above.

G B Baxter served as director throughout the financial year. Changes since 1 January 2003 are as follows:

	<u>Appointed</u>	<u>Resigned</u>
S P Brannigan	1 July 2003	1 December 2003
J W Downer	1 July 2003	
R L Feil	1 August 2003	1 December 2003
G D A Brebner	1 May 2003	1 September 2004
S Westwell	1 December 2003	
D Campbell	1 December 2003	
D W J Grant	1 September 2004	
N C Coleman		1 May 2003

Directors' interests

The interests of the directors holding office at 31 December 2003, and their families, in the US \$0.25 ordinary shares of BP p.l.c., were as set out below:

	<u>31 December 2003</u>	<u>1 January 2003(or date of appointment)</u>
G D A Brebner	14,751	14,084
D Campbell	15,977	15,977
J W Downer	3,549	3,016
S Westwell	25,564	25,564

In addition, rights to subscribe for US \$0.25 ordinary shares in BP p.l.c. were granted to, or exercised by, those directors between 1 January 2003 (or date of appointment) and 31 December 2003 as follows:

	<u>Granted</u>	<u>Exercised</u>
G D A Brebner	2,114	Nil
D Campbell	Nil	Nil
J W Downer	4,650	Nil
S Westwell	Nil	Nil

No director had any interest in the shares or debentures of subsidiary undertakings of BP p.l.c. (formerly BP Amoco p.l.c.) at 31 December 2003.

Policy and practice with respect to payment of suppliers

It is the company's policy to follow the CBI's prompt payment code of practice for all suppliers to the company. A copy of the code of practice may be obtained from the CBI.

The number of days' purchases represented by trade creditors at the year-end was nil.

BP SOLAR HOLDINGS LIMITED

REPORT OF THE DIRECTORS

Auditors

Ernst & Young LLP will continue in office as the company's auditor in accordance with the elective resolution passed by the company under Section 386 of the Companies Act 1985.

By order of the Board



Secretary

28 October 2004

Registered Office:
Chertsey Road
Sunbury-on-Thames
Middlesex
TW16 7BP

BP SOLAR HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that they have complied with these requirements and having a reasonable expectation that the company has, or has access within the BP Group to, adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

BP SOLAR HOLDINGS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF BP SOLAR HOLDINGS LIMITED

We have audited the accounts for the year ended 31 December 2003 which comprise Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 11. These accounts have been prepared on the basis of the accounting policies set out on therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As set out in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2002 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London.

28 October 2004

BP SOLAR HOLDINGS LIMITED

ACCOUNTING POLICIES

Accounting Standards

These accounts are prepared in accordance with applicable UK accounting standards. In preparing the financial statements for the current year, the company has adopted Financial Reporting Standard No. 19 'Deferred Tax' (FRS 19) and the transitional disclosures requirements of Financial Reporting Standard No. 17 'Retirement Benefits' (FRS 17). The adoption of FRS19 has not resulted in a change in accounting policy for deferred taxation. See note 4 Taxation.

Accounting convention

The accounts are prepared under the historical cost convention. Accounts prepared on this basis show the profits available to shareholders and are the most appropriate basis for presentation of the company's balance sheet.

As the ultimate parent undertaking has published a group cash flow statement in compliance with Financial Reporting Standard No. 1 (Revised), a cash flow statement is not presented in these accounts.

Basis of preparation

At 31 December 2003, the company's balance sheet had net liabilities amounting to £177,082. The directors consider it appropriate to prepare the accounts on a going concern basis because since the balance sheet date the company received an injection of cash from its immediate parent of £400,000

Group accounts

Group accounts are not submitted as the company is exempt from the obligation to prepare group accounts under Section 228(1) of the Companies Act 1985. The results of subsidiary and associated undertakings are dealt with in the consolidated accounts of the ultimate parent undertaking, BP p.l.c. , a company registered in England and Wales.

Foreign currencies

Transactions in currencies other than sterling are recorded at the rate ruling at the date of the transaction. Assets and liabilities in currencies other than sterling are translated into sterling at closing rates of exchange. All exchange gains and losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit/loss for the year.

BP SOLAR HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

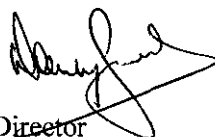
	Note	<u>2003</u> £	<u>2002</u> £
Exchange loss		(1,819)	(9,558)
Other income	2	321,825	195,465
		<hr/>	<hr/>
Profit on ordinary activities before interest and tax	1	320,006	185,907
Interest payable and similar charges	3	(97,138)	(88,783)
		<hr/>	<hr/>
Profit before taxation		222,868	97,124
Taxation	4	-	(29,321)
		<hr/>	<hr/>
Profit for the year	8	222,868	67,803
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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2003

There are no recognised gains or losses attributable to the shareholders of the company other than the profit of £222,868 for the year ended 31 December 2003 (2002 profit of £67,803).

BP SOLAR HOLDINGS LIMITED
BALANCE SHEET AT 31 DECEMBER 2003

	Note	<u>2003</u> £	<u>2002</u> £
Fixed assets			
Investments	6	3,278,560	3,278,560
		<hr/>	<hr/>
		3,278,560	3,278,560
Current assets			
Debtors – amounts due from fellow subsidiary undertakings		110,073	111,892
Creditors – amounts owed to fellow subsidiary undertakings		(3,565,715)	(3,790,402)
		<hr/>	<hr/>
SHAREHOLDERS' INTEREST		(177,082)	(399,950)
		<hr/>	<hr/>
Represented by			
Capital and reserves			
Called up share capital	7	10,000,000	10,000,000
Reserves	8	(10,177,082)	(10,399,950)
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS – EQUITY INTERESTS		(177,082)	(399,950)
		<hr/>	<hr/>


Director

28 October 2004

BP SOLAR HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

1. Profit on ordinary activities before interest and tax

Auditors' remuneration is dealt with in the accounts of the parent undertaking. No fees were paid to the auditors for other services.

2. Other income

	<u>2003</u> £	<u>2002</u> £
Income from shares in subsidiary undertakings	321,825	195,465

3. Interest payable and similar charges

	<u>2003</u> £	<u>2002</u> £
Interest paid to fellow group undertakings	97,138	88,783

BP SOLAR HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

4. Taxation

UK Taxation

The Company is a member of a group for the purposes of relief under Section 402 of the Income & Corporation Taxes Act 1988. No corporation tax has been provided because another group company, BP International Limited, has undertaken to procure the claim or surrender of free group relief to the extent it is required and to provide for any current or deferred UK tax that arises.

Overseas Taxation

	<u>2003</u> £	<u>2002</u> £
Overseas withholding tax	-	29,321
Total overseas tax	<u>-</u>	<u>29,321</u>

The following table provides a reconciliation of the UK statutory corporation tax rate to the effective current tax rate on profit before taxation.

	<u>2003</u> £	<u>2002</u> £
Profit before taxation	222,868	97,124
Current taxation	-	29,321
Effective current tax rate	0%	30%

	<u>2003</u> %	<u>2002</u> %
UK statutory corporation tax rate:	30	30
Increase/(decrease) resulting from:		
Overseas withholding tax	-	30
Permanent differences	14	(60)
Group relief	(44)	30
Effective current tax rate	<u>-</u>	<u>30</u>

BP SOLAR HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

5. Directors and employees

None of the directors received any fees or remuneration for services as a director of the company during the financial year (2003 £Nil).

6. Fixed assets – investments

	Subsidiary Undertakings Shares £	Associated Undertakings Shares £	Total £
Cost			
At 1 January 2003	3,278,560	1,068,897	4,347,457
Additions	-	-	-
Deletions	-	-	-
At 31 December 2003	<u>3,278,560</u>	<u>1,068,987</u>	<u>4,347,457</u>
Amount provided			
At 1 January 2003	-	1,068,897	1,068,897
At 31 December 2003	<u>-</u>	<u>1,068,987</u>	<u>1,068,987</u>
Net book amount			
At 31 December 2003	<u>3,278,560</u>	<u>-</u>	<u>3,278,560</u>
At 31 December 2002	<u>3,278,560</u>	<u>-</u>	<u>3,278,560</u>

BP SOLAR HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

6. Fixed assets – investments (continued)

The subsidiary of the company at 31 December 2003 and the percentage of equity capital held are set out below. The principal country of operation is generally indicated by the company's country of incorporation or by its name.

Subsidiary Undertakings	%	Country of incorporation	Principal Activity
BP Solar do Brasil Limitada	99%	Brasil	Manufacture and marketing of solar equipment
Tata BP Solar India Limited	51%	India	Manufacture and marketing of solar equipment

Associated Undertakings	%	Country of incorporation	Issued Share Capital	Principal Activity
BP Solar Arabia Limited	40%	Saudi Arabia	4,644 Ordinary shares of Rials 500 each	Manufacture and marketing of solar equipment
BP Thai Solar Corporation Limited	49%	Thailand	18,398 Ordinary shares of Baht 1,000 each	Manufacture and marketing of solar equipment
BP Solar Malaysia Sdn Bhd	49%	Malaysia	Ordinary	Manufacture and marketing of solar equipment

BP SOLAR HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

7. Called up share capital

	<u>2003</u> £	<u>2002</u> £
Authorised, allotted, called up and fully paid: 10,000,000 ordinary shares of £1 each	10,000,000	10,000,000

8. Reconciliation of shareholders' funds and movements on reserves

	<u>Equity share</u> <u>capital</u> £	<u>Profit and</u> <u>Loss</u> <u>account</u> £	<u>Total</u> £
At 1 January 2002	10,000,000	(10,460,753)	(467,753)
Profit for the year	-	67,803	67,803
At 1 January 2003	10,000,000	(10,399,950)	(399,950)
Profit for the year	-	222,868	222,868
At 31 December 2003	10,000,000	(10,177,082)	(177,082)

9. Related party transactions

The company has taken advantage of the exemption contained within Financial Reporting Standard No 8 "Related Party Disclosures", and has not disclosed transactions with group companies. There were no other related party transactions in the year.

10. Post balance sheet events

After the balance sheet date the authorised share capital was increased from 10,000,000 ordinary shares of £1 each to 100,000,000 ordinary shares of £1 each. 400,000 ordinary shares were subsequently issued to the immediate parent company at par value.

11. Ultimate parent undertaking

The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the company is a member, is BP p.l.c, a company registered in England and Wales. Copies of BP p.l.c.'s accounts can be obtained from 1 St James's Square, London, SW1Y 4PD.